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MATTERS RELATING TO THE PROGRAMMING CYCLES

Implementation of Executive Board decision 95/26

Report by the Administrator

I. PURPOSE

1. The present document responds to Executive Board decision 95/26, in which the Board requested the Administrator to report on the implementation of the decision at the third regular session 1996.

II. BACKGROUND

2. It should be noted that, in its decision 76/43, the Governing Council decided that each recipient country that had gained independence since the start of 1973 should have its indicative planning figure increased in the amount of $500,000 plus 15 per cent of the indicative planning figure.

3. During the fifth programming cycle, a total of 23 countries were granted recipient status. 1/ At the February 1992 special session, Estonia, Latvia and Lithuania were granted recipient status and subsequently were awarded the full independence bonus. In view of the large number of countries subsequently granted recipient status, UNDP requested the advice of the United Nations Office of Legal Affairs on eligibility for the independence bonus. Based on their interpretation of the issue, the United Nations Office of Legal Affairs advised UNDP, as noted in document DP/1995/46 that "in order to further clarify this matter, it might be beneficial for the UNDP Executive Board to explicitly delimit the application of the independence bonus provision, by coming up with a new decision delineating the factors that determine the eligibility of any country for the independence bonus".

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4. In its decision 95/26, the Executive Board decided that the 14 countries listed in the annex to the decision were eligible for an independence bonus. 2/ Subsequently, in response to the request received at the third regular session 1995 from the Government of Slovakia and based on the opinion of the United Nations Office of Legal Affairs, considered at the first regular session 1996, Slovakia was added to the list of countries eligible for an independence bonus (see DP/1996/11, para. 100).

5. In its decision 95/26, the Executive Board decided that the independence bonus be financed immediately from the resources of the fifth cycle, to the extent of the amounts set out in column (4) of the annex to the decision (the amount of $129,000 was allocated for Slovakia, see para. 4 above) provided that existing allocations, inter alia, for country and intercountry programmes are fully honoured. The Board further requested the Administrator to release subsequently the remaining bonus amounts set out in column (5) of the annex to decision 95/26 up to the levels that the balance of programmable resources at the end of the fifth cycle is able to accommodate them.

III. IMPLEMENTATION OF DECISION 95/26

6. UNDP has released the first tranche of the independence bonus, totalling $4.167 million, as shown in column (4) of the annex to the present document. The remaining bonus amounts as shown in column (5), equalling $10.338 million, represent approximately 0.3 per cent of total fifth cycle programme resources.

7. In order to ensure equal treatment since 1973 in line with past awards of the independence bonus to newly independent recipients, and in view of recent Executive Board decisions granting additional fifth cycle resources to some programme countries on an exceptional and one time basis, the Administrator proposes to release the remaining bonus amounts, totalling $10.338 million, against UNDP general resources to the 16 eligible countries, as reflected in column (5) of the annex.

IV. EXECUTIVE BOARD ACTION

8. The Executive Board may wish to:

Take note of the report of the Administrator on the implementation of Executive Board decision 95/26 (DP/1996/27).

Notes

1/ The 23 countries granted recipient status during the fifth programming cycle are: Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Czech Republic, Estonia, Eritrea, Georgia, Kazakstan, Kyrgyzstan, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Republic of Moldova, Russian Federation, Slovakia, Slovenia, South Africa, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.

2/ Countries eligible for independence bonus in decision 95/26 are: Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Eritrea, Georgia, Kazakstan, Kyrgyzstan, the former Yugoslav Republic of Macedonia, Republic of Moldova, Slovenia, Tajikistan, Turkmenistan, Ukraine. Palau was granted recipient status prior to the fifth cycle but independence was achieved only in October 1994.

Annex

CALCULATION OF INDEPENDENCE BONUS FOR COUNTRIES GRANTED RECIPIENT STATUS DURING THE FIFTH PROGRAMMING CYCLE

(Millions of dollars)

New recipients	Decision (1)	Fifth cycle IPF (2)	Independence bonus a/ (3)	Immediately available (paragraph 4 of decision 95/26) b/ (4)	Remaining balance (3)-(4) (paragraph 5 of decision 95/26) (5)
Armenia	92/29	0.595	0.589	0.130	0.460
Azerbaijan	92/29	1.448	0.717	0.172	0.545
Kazakstan	92/29	2.608	0.891	0.230	0.661
Kyrgyzstan	92/29	2.752	0.913	0.238	0.675
Republic of Moldova	92/29	1.045	0.657	0.152	0.505
Turkmenistan	92/29	1.866	0.780	0.193	0.587
Uzbekistan	92/29	6.283	1.442	0.414	1.028
Bosnia and Herzegovina	93/3	0.600	0.590	0.130	0.460
Croatia	93/3	0.615	0.592	0.131	0.462
Georgia	93/3	0.525	0.579	0.126	0.453
Slovakia c/	93/3	0.582	0.587	0.129	0.458
Slovenia	93/3	0.444	0.567	0.122	0.444
Tajikistan	93/3	3.434	1.015	0.272	0.743
Eritrea	93/22	19.877	3.482	1.494	1.988
The former Yugoslav Republic of Macedonia	93/22	0.456	0.568	0.123	0.446
Palau	d/	0.229	0.534	0.111	0.423
Total			14.503	4.167	10.338

a/ Represents $500,000 plus 15 per cent of the fifth cycle IPF.

b/ Represents $100,000 plus 5 per cent of the fifth cycle IPF (column 2); for Eritrea, $500,000 plus 5 per cent of the fifth cycle IPF.

c/ At its first regular session 1996, the Executive Board noted that Slovakia should be added to the annex of decision 95/26.

d/ Granted recipient status prior to the fifth cycle; independence achieved in October 1994.